

**TOWN OF DAVIE
WORKSHOP MEETING
AUGUST 4, 2005**

The meeting was called to order at 7:01 p.m.

Present at the meeting were Mayor Truex, Vice-Mayor Hubert, and Councilmembers Crowley (departed at 9:17 p.m.), Paul and Starkey. Also present were Town Administrator Kovanes, Attorney Parke and Assistant Town Clerk McDaniel recording the meeting.

Budget and Finance Director William Underwood presented a slide show on the 2005-2006 balanced budget. The presentation indicated that the largest fund was the general fund with approximately \$81.9 million. Mr. Underwood explained that the budget indicated an overall revenue increase of approximately 5% and added that the departments had reduced their budgets in an effort to balance the budget.

Vice-Mayor Hubert asked about the tax on the water sales. Mr. Underwood advised that Florida Statutes allowed for the imposition of up to 10% tax on water sales and estimated this figure would increase by just over \$1 million. Vice-Mayor Hubert asked why the housing budget had been reduced by a larger percent. Mr. Underwood explained this was because outside funding sources had not been committed.

Councilmember Crowley commended staff for balancing the budget and indicated that he wanted to see the millage rolled back even though this might be difficult. Councilmember Crowley asked whether another workshop would be scheduled. Mr. Underwood advised it was Council's decision to set a workshop.

Councilmember Starkey spoke of new homes in the Town that required services and she wanted to look at services provided to make sure they were adequately staffed. She voiced her concern about reductions in police, fire and housing services and about departments being impacted by trimming. Councilmember Starkey spoke of the need to train new personnel as employees retired. She thought it was admirable to want to roll back the millage but pointed out that funding cuts remained a concern. Councilmember Starkey wanted Council to look at departments to see what could be done to maintain levels of service.

Councilmember Paul was interested in developing new revenue streams and the Town needed to look at any fees that could be charged for utilities running through the Town that the Town did not already have. She stated that it was essential for Council to entertain any possible revenue streams not already in place and felt it was incumbent on Council to give staff direction to move forward in this regard. Councilmember Paul pointed out that any reduction in the millage would result in more departmental cuts and she was concerned that there was no contingency in the budget. She stressed the need to build reserves and felt that Council needed "to keep hands out of our pockets this year." Councilmember Paul questioned whether Council could make an adjustment mid-year to open up positions if additional revenues were generated. She was concerned about not giving the full increase on the fire fee. Councilmember Paul stated that the endowment was hit every year and she wanted to keep the requests to \$200,000. She pointed to the commendable fundraising done by Vice-Mayor Hubert and Councilmember Starkey and felt Council could pursue ways to do more for fundraisers for charities.

Mayor Truex pointed out that the Town only cut back on the increases in the proposed budget, not the total budget and recalled that public safety used to be approximately half of the budget. He agreed with Councilmember Crowley on cutting back the millage. Mayor Truex felt the ad valorem tax actually attacked new residents and those who rented or owned mobile homes. He felt the people who had to pay were those who could least afford it. Mayor Truex also wanted to institute a gas tax and/or a water tax as other governmental entities did. He asked whether the Town was adding to reserves. Mr. Kovanes confirmed that nothing was being added to reserves, only monies that were not spent. Mayor Truex

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wanted to investigate additional revenue sources and then allocate part into reserves and part to rolling back the millage rate, if only by a fraction.

Councilmember Paul asked how long it would take to implement and collect additional revenue streams. Mr. Underwood advised the Town would need to enact an ordinance to impose a public service tax on water and then notify the different utility companies. He indicated that the tax gas would take longer as the Town had to contact the different companies to discuss compensation for their usage of the Town's rights-of-way.

Councilmember Crowley was in favor of taxing companies using the Town's rights-of-way but was not in favor about taxing residents for using water. Mayor Truex asked how many municipalities imposed a water tax. Mr. Underwood estimated approximately 80% of those that owned a water utility. Utilities Director Daniel Colabella advised that there were no taxes on the Town's water system and advised that these taxes would go to the general fund.

Councilmember Starkey requested information on the Everglades pipeline and on how many cities used this option. Assistant Town Administrator Ken Cohen felt such taxes could be imposed at any time. Councilmember Paul felt the Town should move forward without anticipating this type of revenue.

Councilmember Crowley wanted Council to direct staff to look into any areas where they could make reductions in order to roll back the millage slightly.

Councilmember Starkey wanted to look at the benefits and costs to the budget. She pointed out that the Town's millage rate had been 5.0186 since 1994 while the debt service at the time was slightly higher. Councilmember Starkey felt the Town had done well overall.

Councilmember Crowley did not want to look at cutting public safety services, but wanted staff to look at other services for possible cuts.

Mayor Truex asked for an estimated cost if the millage was reduced to 5. Mr. Underwood advised this would be between \$575,000 - \$580,000. He stated that departments had put serious thought before submitting in an effort to maintain their levels of service.

Mayor Truex asked how much it would cost to reduce to 5.1. Mr. Kovanes advised this would cost under \$100,000. Mr. Underwood felt this would be a better goal to shoot for.

Mr. Underwood advised approximately \$8 million was in reserve, with the goal of \$18- to \$20-million. He encouraged Council to only use this money in the event of a capital acquisition but not for operating expenses.

Councilmember Crowley requested that staff come back to Council with a slight rollback in the millage rate.

Vice-Mayor Hubert asked how much the Town would receive on water taxes. Mr. Underwood estimated approximately \$1 million per year. Vice-Mayor Hubert commended staff on balancing the budget and wanted to look further into the possibility of a water tax. She pointed out that more services were needed as the population had doubled, while the millage remained the same.

Councilmember Starkey stated that it was admirable that the Town had worked within its means, but added that other municipalities slowly increased their rates. She felt it was important for Council to be able to demonstrate why the rate had not been rolled back in the event residents questioned this.

Mr. Cohen indicated staff would look into reducing the rate to 5.1000 and bring this back to Council.

Regarding the cost recovery program, Councilmember Starkey stated the Town was struggling to keep up with continuous turnover. She indicated mandatory outsourcing for certain departments should be considered as of a given date and spoke of backlogs of Council's requests. Councilmember Starkey felt there was not enough of an incentive built in for the development community to look at. Councilmember Paul stated that money in Development Services could only be used in that department. Councilmember Starkey suggested that some money in Development Services could be used for projects

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that Council wanted such as hiring a consultant to rewrite the Code. Mr. Underwood advised that developers had to make the request. Councilmember Starkey stated the Town was missing the boat on the Naturescape, Best Management Practices, increasing the tree canopy, and the Code rewrite among other items. Mr. Kutney felt Councilmember Starkey's goals were admirable but even if developers were required to use the fast track method, staff still had to devote hours into project management of those consultants doing reviews. Mr. Kutney advised that staff was exploring different avenues to reach Council's goals. Councilmember Starkey stated if a hiring freeze was in place for public safety, it was wrong not to do the same in Development Services. She felt some areas could be outsourced for a while so public safety would not be jeopardized. Mayor Truex requested that Councilmember Starkey meet with Mr. Kovanes or Mr. Kiar to draft an ordinance.

Mayor Truex and Council discussed the following contributions to charities from the general endowment.

Agency on Aging - \$30,558
Broward Gold Down's Syndrome - \$500
Broward Homebound Program - \$1,000
Davie School Foundation - \$25,000
EASE Foundation - \$35,000
Family Central - \$15,000
Firewall Ministries - \$15,000
First Call for Help - \$3,000
HOPE Outreach - \$45,000
Neighborhood Revitalization Program - \$78,550
The Starting Place - \$7,500
Women in Distress - \$5,000
Young at Art - \$7,000
Parks and Recreation Scholarships - \$15,000

Vice-Mayor Hubert confirmed that Council had agreed "that the \$35,000 from the Police Department was going back to PAL; the Town would give \$15,000 to Parks and Recreation for a general scholarship to all the Town's children; and the Town increased the contribution to Neighborhood Revitalization to \$78,550."

Mayor Truex requested that staff provide the total contributions discussed to Council with an asterisk noted for PAL, for further review.

There being no further business to discuss and no objections, the meeting was adjourned at 9:33 p.m.

Approved _____

Mayor/Councilmember

Town Clerk

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